

**AFR / NAFR**

**CHHATTISGARH STATE  
CONSUMER DISPUTES REDRESSAL COMMISSION  
PANDRI, RAIPUR**

**Date of Institution: 30/05/2025**

**Date of Final Hearing: 24/09/2025**

**Date of Pronouncement: 09/10/2025**

**APPEAL No.- SC/22/FA/295/2025**

**IN THE MATTER OF:**

Nishank Shukla S/o. Shri Bhola Shukla,  
R/o. Ward No.10, Kadam Para, Nagar Panchayat Pratappur,  
Dist. Surajpur (CG) - 497 229  
... Complainant / Appellant  
Through: Shri Manish Nigam, Advocate

Vs.

1. Divisional Manager, The Oriental Insurance Company Limited,  
Shriram Trade Center, 1<sup>st</sup> Floor, Opp. Rajeev Plaza, Old Bus Stand,  
Bilaspur, Tah. & Dist. Bilaspur (C.G.) ... O. P. No.1 / Respondent No.1

2. The Oriental Insurance Company Limited,  
Near Ambedkar Chowk, M.G. Road, Ambikapur,  
Dist. Surguja (C.G.) ... O. P. No.2 / Respondent No.2  
Both through: Shri Raj Awasthi, Advocate

**CORAM: -**

HON'BLE SHRI JUSTICE GAUTAM CHOURDIYA, PRESIDENT  
HON'BLE SHRI PRAMOD KUMAR VARMA, MEMBER

**PRESENT: -**

Shri Manish Nigam, Advocate for the appellant.  
Shri Raj Awasthi, Advocate for the respondent.

**O R D E R**

**PER: - JUSTICE GAUTAM CHOURDIYA, PRESIDENT**

This appeal is filed, under section 41 of the Consumer Protection Act, 2019 (hereinafter called "the Act" for short), against order dated 16.04.2025 passed by the District Consumer Disputes Redressal Commission, Ambikapur, Surguja (C.G.) (hereinafter called "District Commission" for short) in complaint case No. CC/2024/83, whereby the complaint was partly allowed directing the opposite parties / respondents herein to jointly and severally pay the complainant/ appellant, within 45 days from the date of order, compensation of Rs.15,81,375.00 (Fifteen lakh eighty one thousand three hundred seventy five) and also pay simple interest @ 6% p.a. on the above amount from the date of filing complaint 22.11.2024 till the date of actual payment and to bear their own cost of

litigation as well as that of the complainant/ appellant Rs.5,000.00 (five thousand). It was further directed that if the opposite parties/ respondents insurance company fails to deposit the entire amount of the award within 45 (forty five) days before the District Commission, then after 45 (forty five) days, the simple interest would be payable @ 8% p.a. on the entire amount of award.

2. Feeling aggrieved the complainant has come up before us for enhancement of award to the IDV of the insured vehicle Rs.29,07,000/- on the ground that learned District Commission has not given any reason in the impugned order for reducing the compensation to Rs.15,81,375/- whereas the surveyor of the opposite parties/ respondents insurance company assessed the loss to the tune of Rs.22,75,729/- in his survey report, OP (1,2) Exhibit-9.

3. The opposite parties/ respondents have not challenged the impugned order, hence there is no challenge on behalf of the insurers regarding admissibility of claim as per the directions given in the impugned order. Now the only question left for our determination is the quantum of award, which has been quantified by the learned District Commission considering the claim on non-standard basis due to expiry of authorization of permit of the insured vehicle.

4. Brief background of the case is that the complainant / appellant's vehicle a truck Tata Signa bearing registration No.CG-15-DJ-6485 was got insured from the opposite parties/ respondents insurance company for the period from 10.07.2019 to 09.07.2020. On 27.12.2019, the said insured truck caught fire due to a short circuit and completely damaged. Intimation was given to the concerned police station as well as the insurer opposite parties/ respondents, who appointed investigator and thereafter

a surveyor. But subsequently, the opposite parties/ respondents insurer repudiated the insurance claim vide letter dated 24.03.2023 stating that national permit authorization was not found effective and valid as on the date of accident 27.12.2019, which is violation of policy terms and conditions, alleging which as deficiency in service complaint was filed before the District Commission seeking direction for award of compensation of Rs.29,07,000/- i.e. IDV of the insured vehicle, which has been partly allowed by the District Commission with the directions as aforesaid in paragraph No.1.

5. Final arguments heard. Record perused.

6. Learned counsel for the appellant/ complainant reiterating the grounds of appeal mentioned in the appeal memo has prayed that his appeal be allowed with modification of the impugned order for enhancement of award to the IDV of the insured vehicle Rs.29,07,000/-, whereas learned counsel for the respondents/ opposite parties has supported the impugned order and prayed for dismissal of this appeal.

7. As far as the authorization of permit is concerned, Hon'ble Apex Court in **Shri Binod Kumar Singh Vs. National Insurance Co. Ltd., SLP (Civil) No.13060 of 2020; (2025 INSC 154)**, in paragraph No.8 has held that : -

*"8. This Court has carefully gone through the permit which is on record and the National Permit is certainly valid up to 13.10.2017. The authorization fee was required to be paid only when the truck was moving out of State of Bihar as it was registered in the State of Bihar and the truck caught fire on account of short-circuit on 08.06.2014 in the State of Bihar itself and, therefore, the respondent company could not have repudiated the claim on such a frivolous ground. The permit in question was issued by the competent authority in Bihar and, therefore, there was no requirement of paying authorization fee when the truck was being used in the State of Bihar and as per the terms and conditions of the National Permit, authorization fee was required to be paid only when the truck was moving out of State of Bihar. Thus, in the considered opinion of this Court, the appellant was certainly entitled for the insurance claim as held by the State Commission and, therefore, the order passed by the*

*National Commission, dated 19.08.2020, deserves to be set aside and is accordingly set aside."*

In the facts of the present case also National Permit of the insured vehicle was valid till 25.07.2023, which was issued in the State of Chhattisgarh by Regional Transport Authority, Surguja, Ambikapur and the vehicle met with an accident on 27.12.2019 while it was running in the State of Chhattisgarh itself and therefore, there was no requirement of authorization separately when the truck was being used in the State of Chhattisgarh, as per the above settled position by the Hon'ble Apex Court. Therefore, the ground of repudiation of claim by the respondents / opposite parties was totally unjust and illegal. Accordingly in our considered view learned District Commission has committed an error while considered the claim of the appellant/ complainant on non-standard basis. In fact, the claim of the appellant/ complainant ought to have been considered on standard basis.

8. As far as the quantum of award of compensation is concerned, we have minutely gone through the report of the surveyor dated 24.11.2020, OP (1,2) Exhibit-9. It is quite pertinent to reproduce the conclusion clause of the report, which is as under : -

"1. NET LIABILITY ON REPAIR BASIS IS RS **2275729.318** AFTER DEDUCTING SALVAGE AND DEPN WHICH MAY FURTHER INCREASE DUE TO UNSEEN DAMAGE WHICH WILL COME AT THE TIME OF DISMANTLE, FURTHER DAMAGE TO BODY IS HERE NOT FULLY CONSIDERED BECAUSE ITS EXACT NATURE OF LOSS IS YET TO BE CONFIRMED AND WHICH WILL BE CLEAR AT THE TIME OF DISMANTLE AND WHICH MAY FURTHER INCREASE THE LIABILITY.

HERE IT IS TO BE MENTIONED THAT CORRECTED IDV IS RS 2560000 = 00 AND THUS LIMIT FOR REPAIR BASIS SETTLEMENT IS RS 2560000 = 00 X 75% = RS 1920000 = 00 & NET LIABILITY FOR RS 2275729.318 EXCEEDS THIS LIMIT.

**THUS SETTLEMENT ON REPAIR BASIS IS OUT OF SCOPE HENCE NOT BEEN CONSIDERED HEREBY.**

The surveyor in his report has clearly opined that the settlement on repair basis is out of scope hence not been considered and, in the recommendation, he recommended that the claim be settled on net of

salvage without RC at Rs.21,58,500/- But in such calculation has reduced the IDV of the vehicle considerably to Rs.25,60,000/-, whereas in the policy document the IDV was Rs.29,07,000/- and accordingly premium as collected from the appellant/ complainant and we do not find any point to reduce the same at the time of assessment of loss by the surveyor. It was the underwriter who already decided the IDV and collected premium of the insured vehicle accordingly.

9. In view of the above it is abundantly clear that the vehicle was recommended to be total loss and settlement of claim on repair basis was opined by the surveyor to be out of scope. Therefore, we are of the considered view that claim of the appellant/ complainant is entitled to be considered on total loss basis considering the IDV of Rs.29,07,000/- as mentioned in the policy in question and considering the comment made by the surveyor in his report that the insured is ready to keep the accidental vehicle for Rs.4,00,000/- (as mentioned under assessment on net of salvage loss basis without RC), we find that the respondents/ opposite parties is liable to pay jointly and severally towards the insurance claim of the appellant/ complainant the IDV of the vehicle Rs.29,07,000/- less salvage value Rs.4,00,000/- and policy excess Rs.1,500/-.

10. In view of the foregoing discussion, we allow this appeal and modify paragraph No.21.(F) of the impugned order to the extent that at the place of Rs.15,81,375/- the respondents / opposite parties shall jointly and severally pay Rs.25,05,500/- (Twenty Five Lacs Five Thousand Five Hundred only) (i.e. IDV of the insured vehicle Rs.29,07,000/- after deduction of salvage value without RC Rs.4,00,000/- and compulsory excess under the policy Rs.1,500/-) in case the appellant/ complainant is

ready to keep salvage of the vehicle and if the appellant/ complainant is not willing to keep salvage of the insured vehicle then the respondents / opposite parties shall pay Rs.29,05,500/- (Twenty Nine Lacs Five Thousand Five Hundred) (i.e. IDV of the insured vehicle Rs.29,07,000/- less compulsory excess under the policy Rs.1,500/-) and take the salvage of the insured vehicle and the appellant / complainant shall cooperate in transfer of RC to the respondents/ opposite parties. Other directions given in the impugned order shall remain unchanged. No order as to cost of this appeal.

(Justice Gautam Chourdiya)  
President  
/10/2025

(Pramod Kumar Varma)  
Member  
/10/2025

Pronounced on: 9<sup>th</sup> October 2025